

1-1999

## Beacon Light: January 1999

St. Cloud Hospital

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# Special Edition



## A Report To The Community

# Beacon Light

### *Mission Statement:*

We are a Catholic, regional hospital whose mission is to improve the health and quality of life for the people of Central Minnesota in a manner that reflects the healing mission of Jesus and supports the dignity of those providing services and those being served.

#### **A publication of St. Cloud Hospital**

The *Beacon Light* gets its name from the warning beacon once located atop St. Cloud Hospital when St. Cloud's airport was at nearby Whitney Park.

January 1999

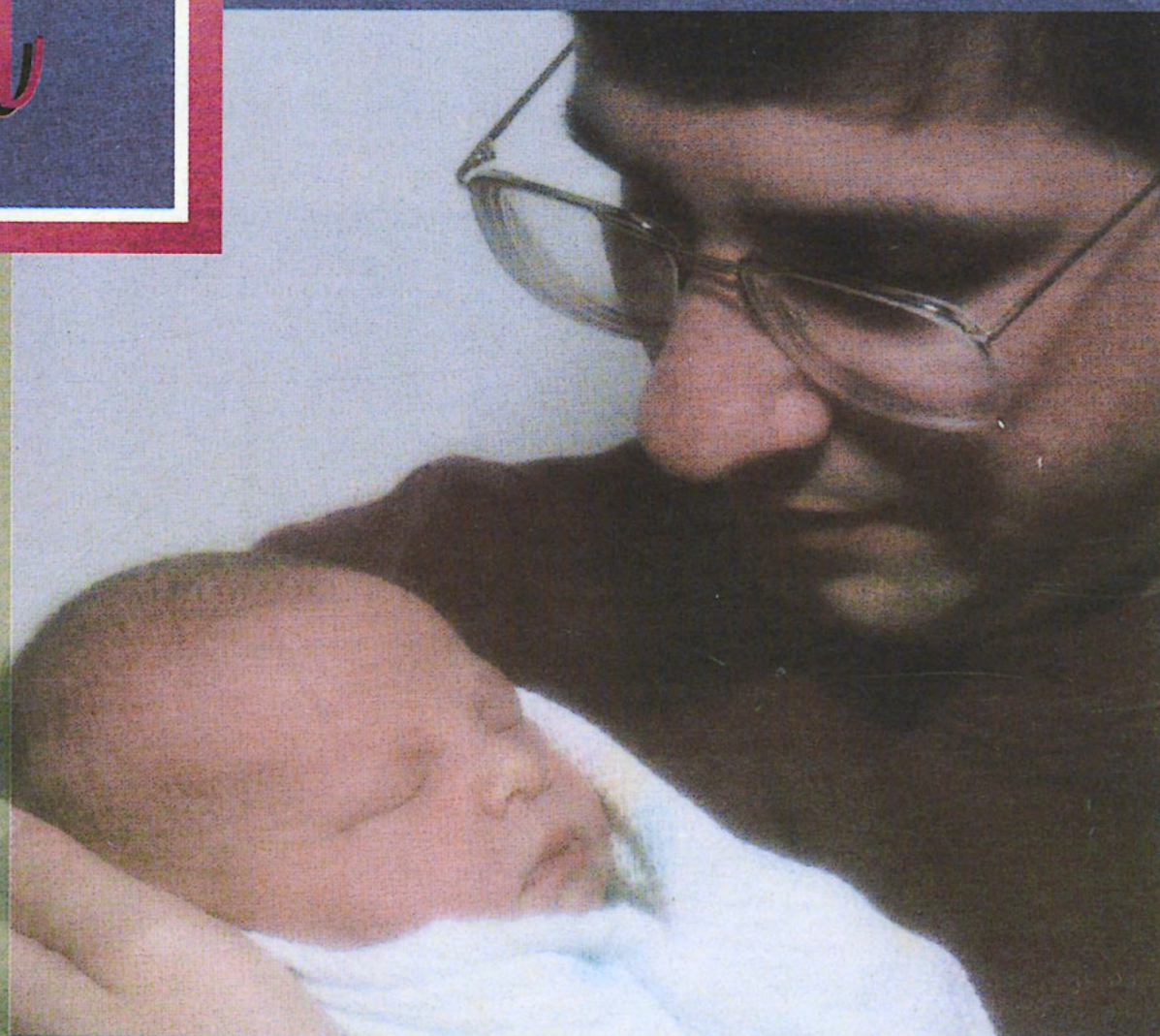
**A** young man gazes at his newborn son as the infant dozes in his arms.  
An elderly woman clutches a volunteer's hand as she anxiously waits for her husband to be wheeled out of surgery.

A toddler's lips tremble then break into a teary smile as an emergency room doctor finishes stitching the boy's knee.

Day after day, night after night, scenes of hope and healing play out in the rooms and corridors of St. Cloud Hospital. All who work at the hospital base their actions and their words on six core values: collaboration; hospitality; respect; integrity; service; and trusteeship.

In this *special edition* of the Beacon Light, we share several vignettes about the people and programs of St. Cloud Hospital. We also share an outline of the hospital's financial health, an accounting of our contributions to the community, and a snapshot of our continuous improvement in clinical areas. We have experienced tremendous growth, yet as we grow, we cling to our small-town values, we intensify our efforts to do our best for those we serve.

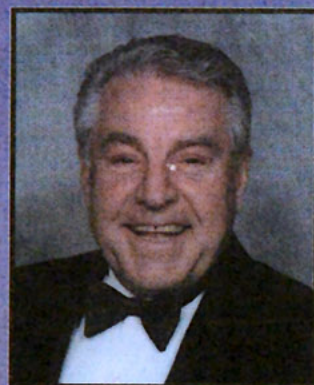
More information about St. Cloud Hospital is available on the hospital's web site, [www.stcloudhospital.com](http://www.stcloudhospital.com). The information also is available in print. Call (320) 255-5652 to request a copy.



*John Leigh cradles his newborn son, Colton.*



**M**embers of St. Cloud Hospital's Board of Directors are exceptional people. They come from diverse segments of the community with a desire and a drive to meet area residents' health care needs. They are committed to meeting those needs by making St. Cloud Hospital the best that it can be.



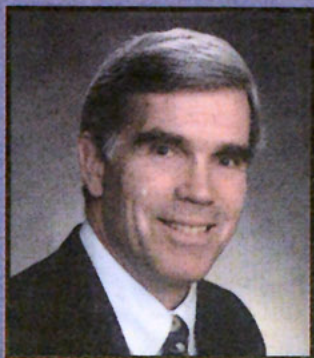
Dan Coborn, Vice-Chair  
CEO of Coborn's Inc.



Gary Marsden, Treasurer  
CEO, Marco Business Products



Sister Colleen Haggerty, O.S.B.  
Secretary  
President, Federation of St. Benedict



Pat Zook, M.D.  
Chief of Staff  
St. Cloud Medical Group



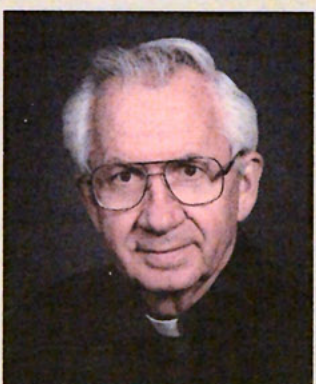
John Frobenius  
President, St. Cloud Hospital  
Co-president, CentraCare Health System



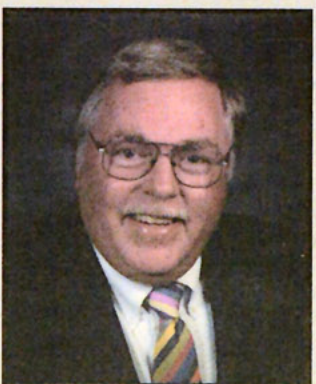
Scot Hutton, M.D.  
CentraCare Clinic



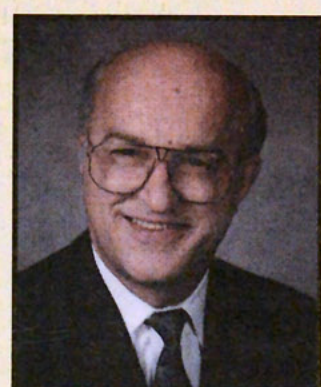
Janelle Strom, M.D.  
CentraCare Clinic



Msgr. Daniel Taufen  
Vicar General, St. Cloud Diocese



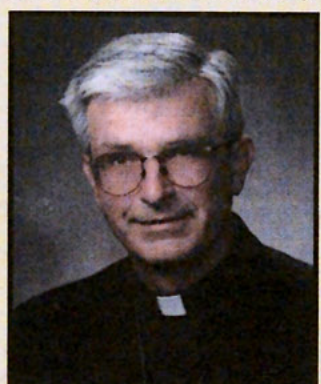
David Matthew, M.D.  
Chief of Staff Elect  
Adult & Pediatric Urology



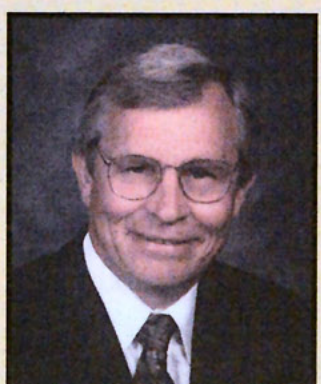
Al Kremers  
Chairperson  
Retired CEO of DeZurik



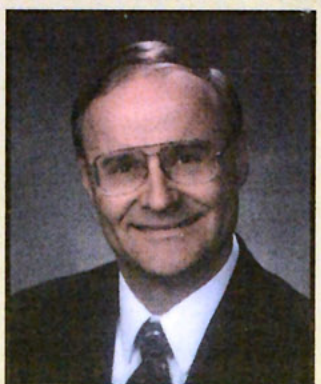
Sister Moira Wild, O.S.B.  
Treasurer, St. Benedict's Monastery



Rev. Gerald Staebling  
Pastor, Atonement Lutheran



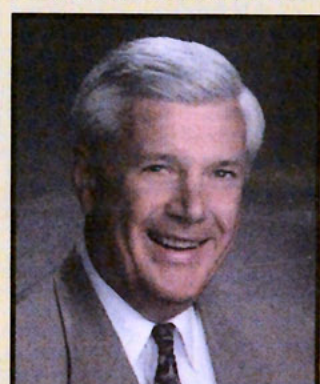
John Geiser, M.D.  
St. Cloud Orthopedic Associates



Terence Pladson, M.D.  
CEO, CentraCare Clinic  
Co-president, CentraCare Health System



Barb Gracbek  
Associate Vice President, SCSU



John Weitzel  
Retired CEO, Bankers Systems Inc.



John Matsuura, M.D.  
Adult & Pediatric Urology



Dave Noack  
Retired CEO, Norwest Bank

## Screening Newborns for Hearing Loss

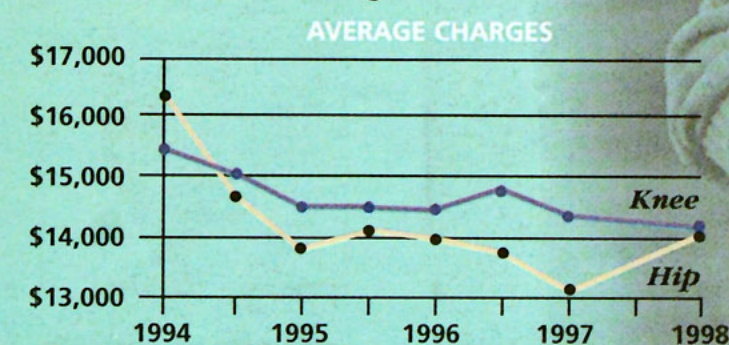
A mother's whisper comforts a squirming infant. Her sharp warning keeps a toddler from harm. How can parents be certain their babies hear the murmurs and words that convey their love? How can they be certain their babies hear the sounds that will shape their own ability to speak? Under St. Cloud Hospital's new **HEAR FIRST** program, the 2,300 babies born at the hospital each year will be screened before going home. **HEAR FIRST** is part of a national initiative that aims to identify, at birth, every baby with a hearing loss. Early detection means early intervention. **HEAR FIRST** has been supported by the following donors: Employees of CentraCare Clinic, St. Benedict's Center and St. Cloud Hospital, CentraCare Foundation, Leo T. Henkemeyer, St. Cloud Lions Club, St. Joseph Lioness Club, St. Cloud Hospital, St. Cloud State University, Isle Lions Club, Downtown Sertoma Club, West Side Sertoma Club.



HEAR FIRST aims to identify, at birth, every baby with a hearing loss.

## Improving Joint-Replacement Surgery

Thanks to an ongoing performance improvement project, patients learn – before hip or knee replacement surgery – how to manage their recovery. A pre-operative home visit, a class, a video, and educational materials are components of the multi-department project that has lowered costs and helped patients return home sooner. The average "total joint" patient now can return home after just four or five days in the hospital rather than seven – and since 1994, the average charges have dropped more than \$2,000 for hip surgeries and \$1,200 for knee surgeries.



Lower costs and recovery management benefit patients having knee or hip replacement surgeries.



## Caring & Sharing

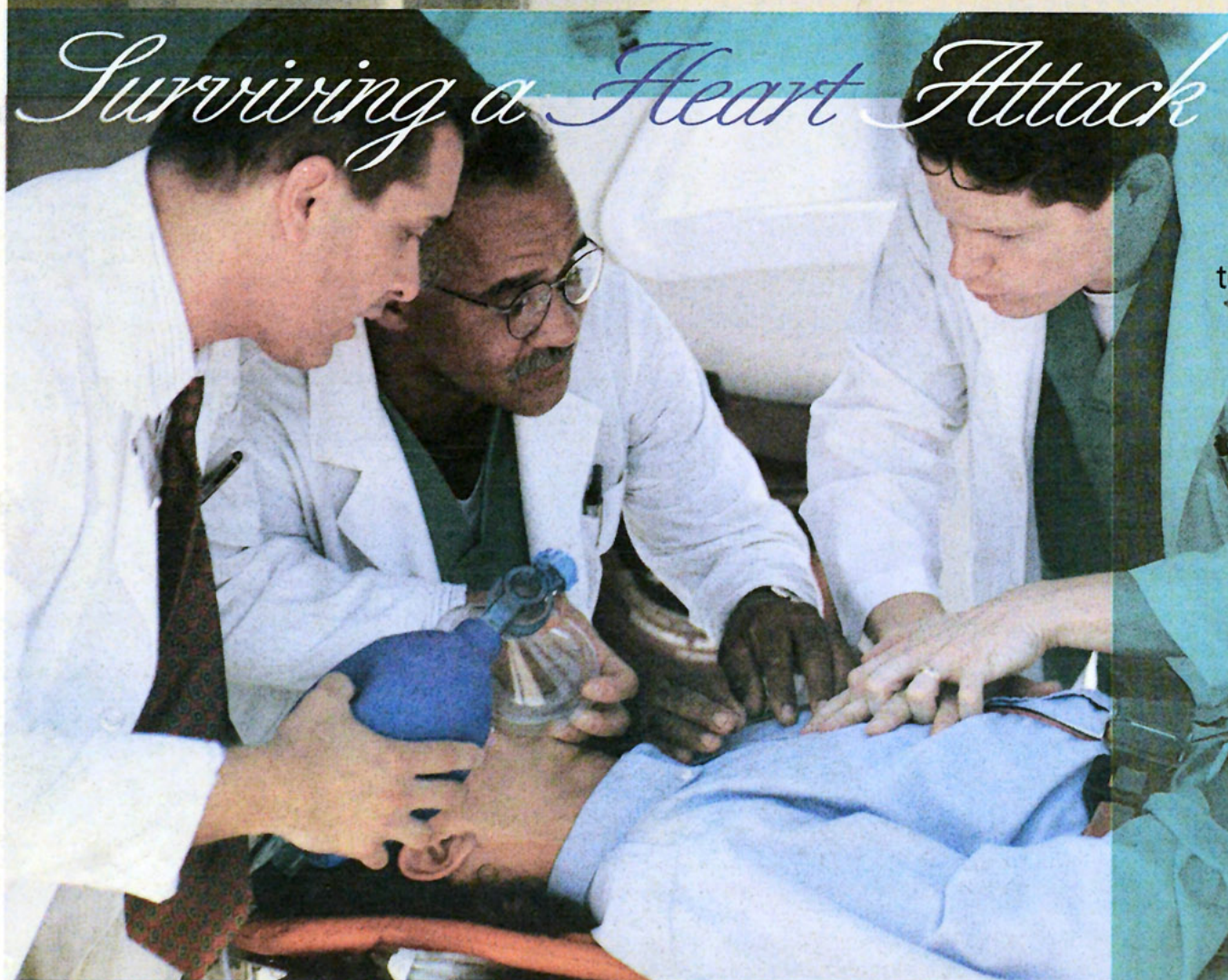


Sister Mary Ellen Machtemes (left), four members of St. Cloud's Pallansch family employed by the hospital (top),

and junior volunteers are among the hundreds who serve the hospital with warmth and compassion.

A smile, a bouquet, a cheery hello. A fluffy towel, a bedside prayer, a steaming bowl of soup. St. Cloud Hospital's employees and volunteers continually dispense these little doses of warmth and compassion. From the 120 junior and 400 adult volunteers to the 2,600 employees and 275 physicians, the people of St. Cloud Hospital are caring and committed. They're also content. An employee satisfaction survey conducted in June 1998 indicated that 81 percent of the respondents saw employee morale as high; 83 percent agreed that hospital employees work well as a team. That team, in turn, meshes well with the rest of the local medical community as we saw December 11, 1998 when an explosion rocked downtown St. Cloud. Scores of medical professionals rushed to join the hospital's Emergency Trauma Center staff. Throughout the hospital, some 150 people pitched in to treat the injured, comfort family members, respond to questions, and attend to other patients and visitors.

## Surviving a Heart Attack



Medically, it's known as "myocardial infarction." Most of us call it a heart attack. The terminology matters little; the outcome means everything. Area ambulance crews, physicians, emergency room staff and the specialized team of the Central Minnesota Heart Center at St. Cloud Hospital combine their efforts in achieving a heart attack survival rate that surpasses the national average.

### HEART ATTACK SURVIVAL RATE

St. Cloud Hospital	National Average
94.3%	91.0%

Source: VHA Quality Indicators Report for the quarter ending June 30, 1998.

St. Cloud Hospital is recognized as a Level II Trauma Center, one of only four in Minnesota.

## Finding a New Home



St. Benedict's Center resident, Harold Engman feels right at home with the help of Diane Collins, RN.

Whether they need around-the-clock skilled nursing care or want independent apartment living, older adults can find exactly the type of environment they seek at St. Benedict's Center, a division of St. Cloud Hospital. The center provides health care and housing for more than 500 people in an array of settings, including residential houses designed for people with memory loss and special apartments for people who can live alone but require some assistance. St. Benedict's Center promotes and improves residents' lives by providing a continuum of quality services. All that takes place at St. Benedict's Center is guided by the philosophy that "all shall be treated as Christ."

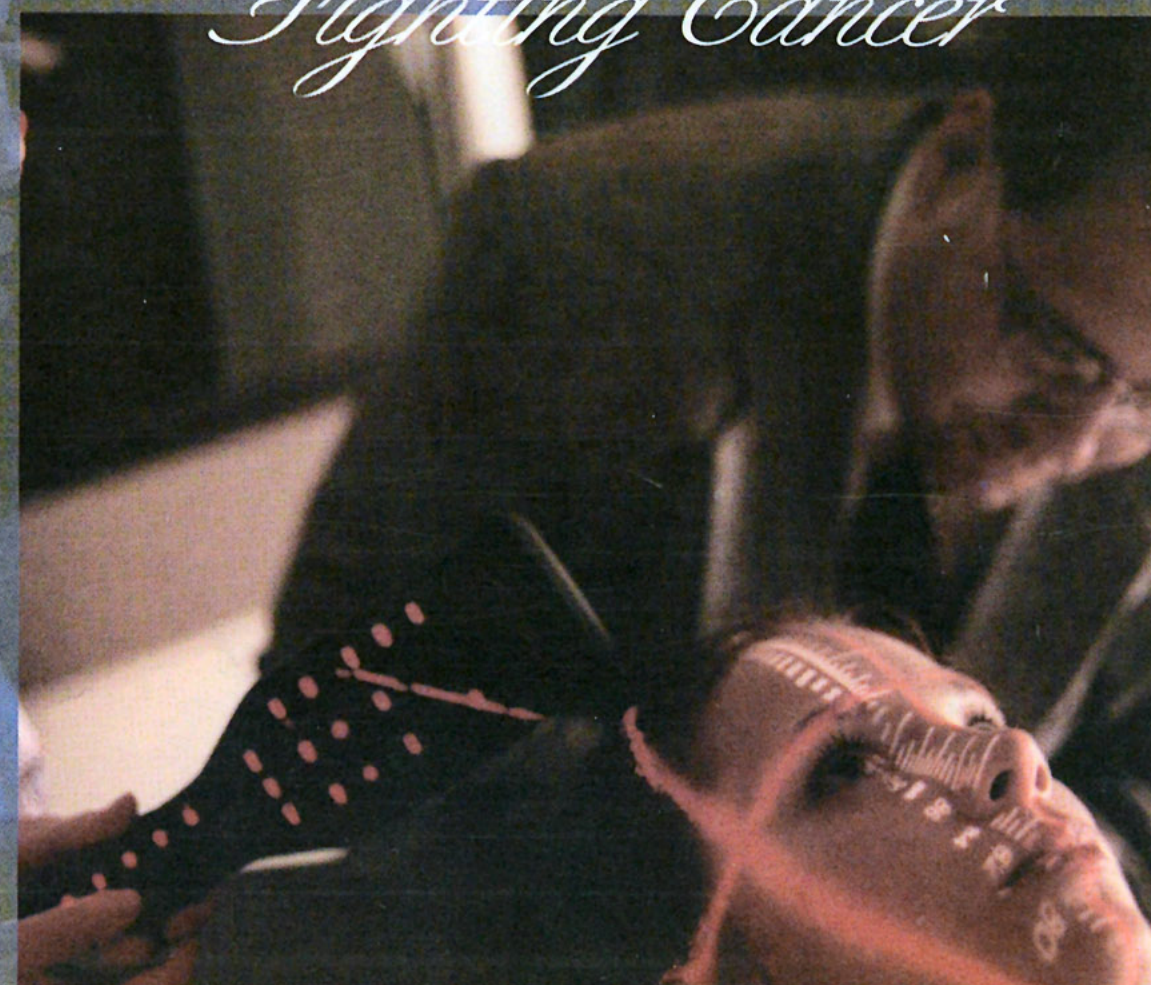
## Fighting Cancer

Tumor. Malignancy. Cancer. Radiation. Chemotherapy. When a doctor speaks these words, it forever changes a life, a family. St. Cloud Hospital provides a full range of cancer services and has been accredited by the Commission on Cancer as a Community Hospital Comprehensive Cancer Program. In addition, the hospital in October 1998 opened a radiation oncology center at Douglas County Hospital in Alexandria, providing treatment close to home for an estimated 225 people annually. St. Cloud Hospital's five-year survival rate for major types of cancer, which includes all stages of the disease, are almost identical to the national rates.

### 1997 CANCER SURVIVAL RATES

	St. Cloud Hospital	National
Breast	88.0%	88.5%
Lung	16.0%	13.0%
Prostate	88.0%	88.5%
Colon/Rectal	64.5%	61.5%

Source: National Tumor Registry, and St. Cloud Hospital Tumor Registry, 1998.



Outreach services have included a radiation oncology program for patients in the Alexandria area.



# 1998 Year in Review

## January

Construction begins on a new Behavioral Health Building.

John Frobenius, president of St. Cloud Hospital, elected to the American Hospital Association Board of Directors.

## April

Construction begins on a new clinic attached to the Melrose Hospital.

## June

St. Cloud Hospital receives verification as a "Level II Trauma Center" from the American College of Surgeons.

## July

The Central Minnesota Heart Center celebrates 10 years of open heart surgery at St. Cloud Hospital.

## August

St. Cloud Hospital receives accreditation with a score of 94 out of 100 from the Joint Commission on Accreditation of Healthcare Organizations.

St. Benedict's Center receives a score of 93 and becomes the first long-term care facility in Central Minnesota to be accredited.

## September

St. Cloud Hospital promotes the "Campaign for Coverage" in the St. Cloud area assisting persons without health insurance to get coverage.

## October

Radiation Oncology program opens in Alexandria. Groundbreaking takes place for senior housing project in Monticello.

## November

CentraCare Health System and St. Cloud Hospital sign agreement to acquire Long Prairie Memorial Hospital and Home.

## December

Hospital Board of Directors along with CentraCare Health System Board vote to move forward with purchase of land for new ambulatory care center and remodeling of St. Cloud Hospital.

Approximately 32,000 people were treated in the hospital's Emergency Trauma Center during 1998.

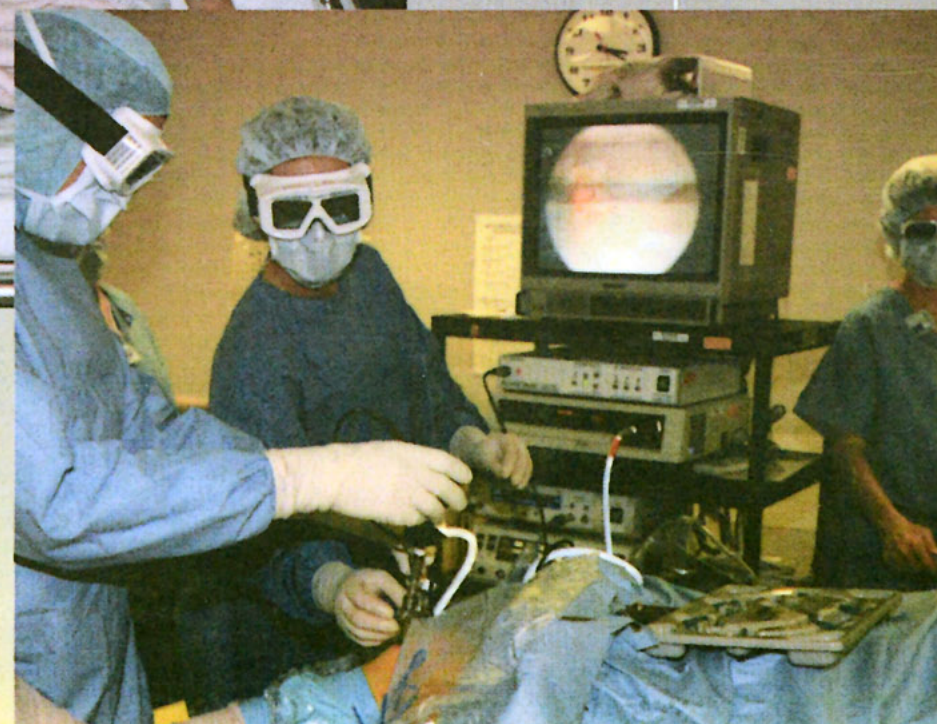


Emergency medical personnel consult with each other and make use of cutting-edge technology to ensure that trauma patients get high-quality care.

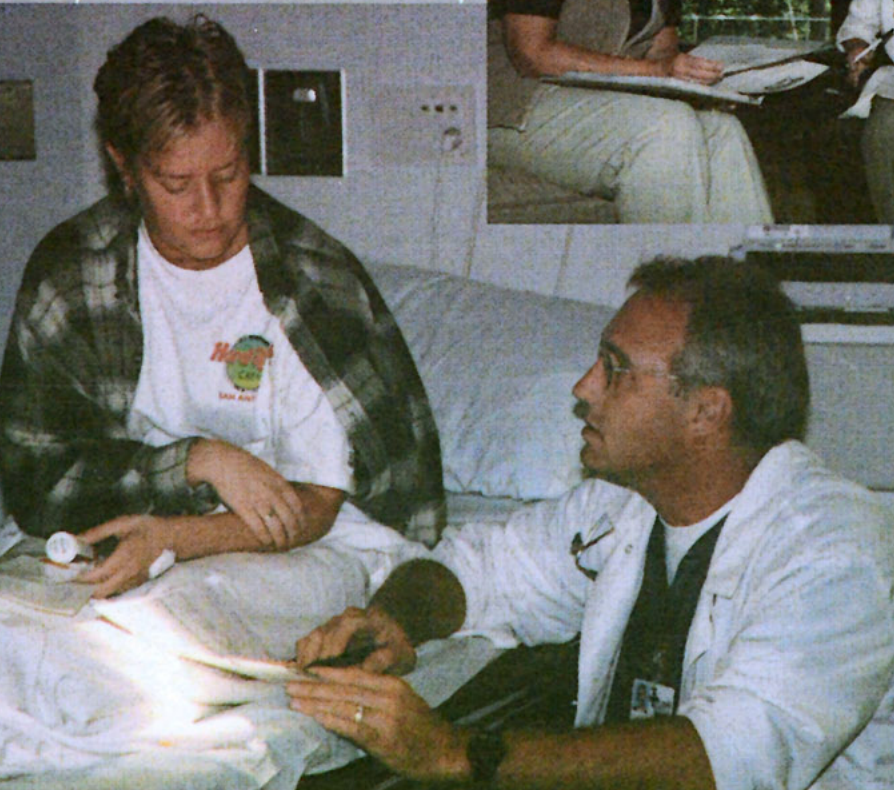
During 1998, more than 10,000 surgical procedures were performed at St. Cloud Hospital.



More than 500 students received clinical experience or completed internships at St. Cloud Hospital during 1998. The hospital is committed to providing educational opportunities for students in an array of disciplines, from nursing to human resources to marketing.



The hospital and other area caregivers gave away approximately 400 bears during the hospital's first year in the "Kids Can't Wait" campaign. The bears are used to calm children's fears during traumatic situations.



One-quarter of the people treated in the Emergency Trauma Center in 1998 were discharged the same day after medical personnel gave them detailed instructions for followup.



Since River Oaks Hospitality House opened in October 1996, guests have come from 36 states and Canada. During 1998, 697 guests were served and stayed a total of 1,563 nights. The average length of stay was 3.8 days.



## St. Cloud Hospital and St. Benedict's Center Year In Review

### KEEPING CURRENT

Each year, St. Cloud Hospital and St. Benedict's Center require more than \$10 million to replace aging equipment and to acquire the latest medical technology expected of a major regional hospital. We have been fortunate during the past three years to generate a surplus of income to cover this annual investment in maintaining our high-quality services such as open-heart surgery. We have purchased state-of-the-art diagnostic equipment such as a computed tomography (CT) scanner and an angiographic system. We also have repaired and renovated patient care areas as well as corridors and lobbies, and in January 1998 began construction on a \$12 million behavioral health and education building. The hospital has spent approximately \$1.25 million on replacement equipment and software to ensure that we are ready for the year 2000. An additional \$1 million likely will be budgeted for the Y2K effort in the new fiscal year.

In addition to the revenue generated from providing patient care, St. Cloud Hospital has income from other sources, primarily investment income. The Board of Directors manages investment funds that serve as a reserve for future renovation and expansion that we must undertake to accommodate improvements in hospital programs and services. Portions of the fund meet various legal reserve requirements or are dedicated to projects under construction. The reserve fund has benefited from the solid returns seen from the stock market in the last three years. The organization has sufficient reserves to retire its long-term debt should the need arise.

The hospital's 1997-98 operating revenues were higher than expected because of a significant, unforeseen increase in the number of patient admissions. We anticipate that patient volume will continue to increase during the next few years. We are being challenged to meet the increase in demand by expanding both our facilities and our staff.

#### STATEMENT OF OPERATIONS (In Millions of Dollars)

	1998	1997	1996
Operating Revenues (from serving patients and residents)	188.4	167.0	155.4
Operating Expenses	178.0	154.8	143.9
Surplus from Operations	10.4	12.2	11.5

#### INVESTMENT INCOME (In Millions of Dollars)

	1998	1997	1996
Non-Operating Gains (Investment Gains)	18.5	11.0	9.5
Total Increase in Assets	28.9	23.2	21.0

#### KEY OPERATING INDICATORS

INDICATOR	1998	1997	1996
Number of Beds	300	300	300
Patient Days*	78,018	73,116	74,510
Average Daily Census	214	200	204
Inpatient Admissions	16,843	15,496	15,237
Average Length of Stay*	4.6 days	4.7 days	4.9 days
Newborn Deliveries	2,321	2,313	2,237
Emergency Visits	31,414	30,387	31,725
Home Care Visits	43,507	40,493	33,010
Hospice Days	5,138	5,170	3,449

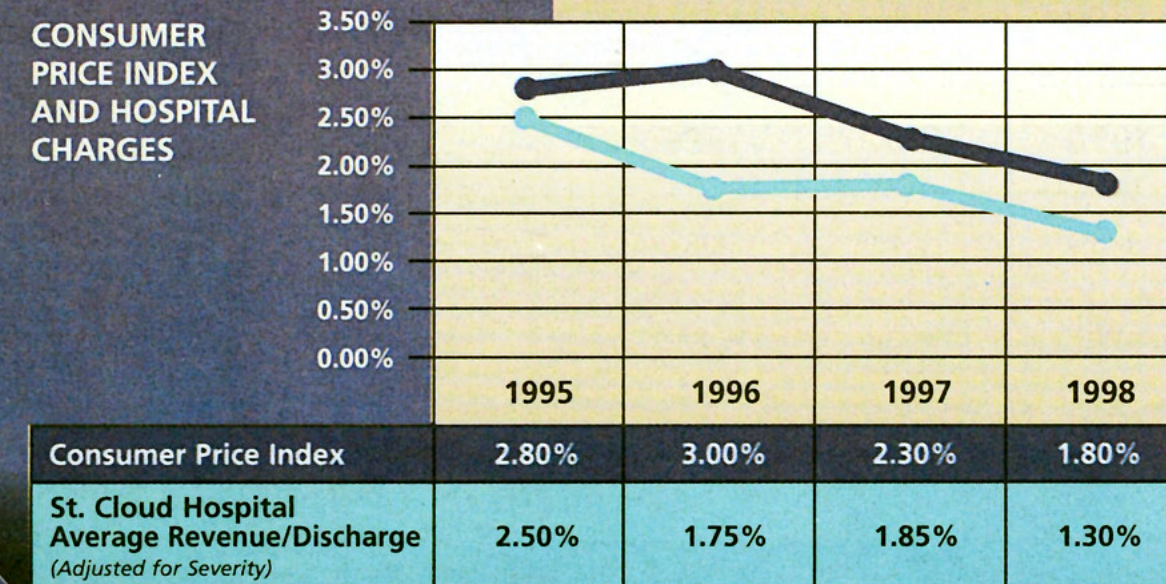
\*excludes normal newborns

#### COMPARISON OF HOSPITAL NET PATIENT CHARGES, 1997

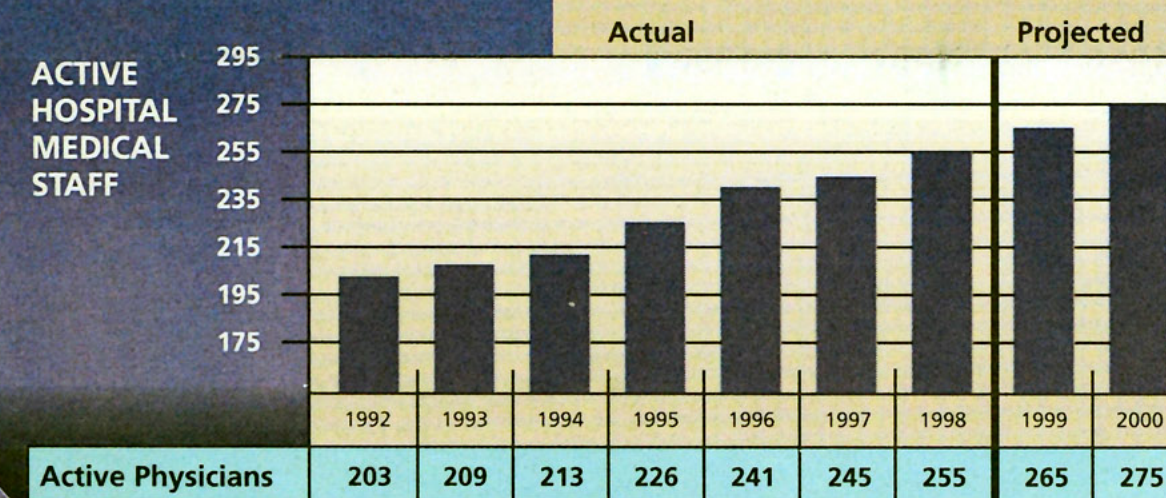
	Peer group of hospitals based on similar size, location and number of beds	Peer group of regional hospitals with similar operating expenses	Statewide	St. Cloud Hospital
Net Patient Revenue Per Patient Day	\$1,489	\$1,555	\$1,401	\$1,359

The table includes comparisons of St. Cloud Hospital's 1997 data (the latest available) compared to three weighted averages.

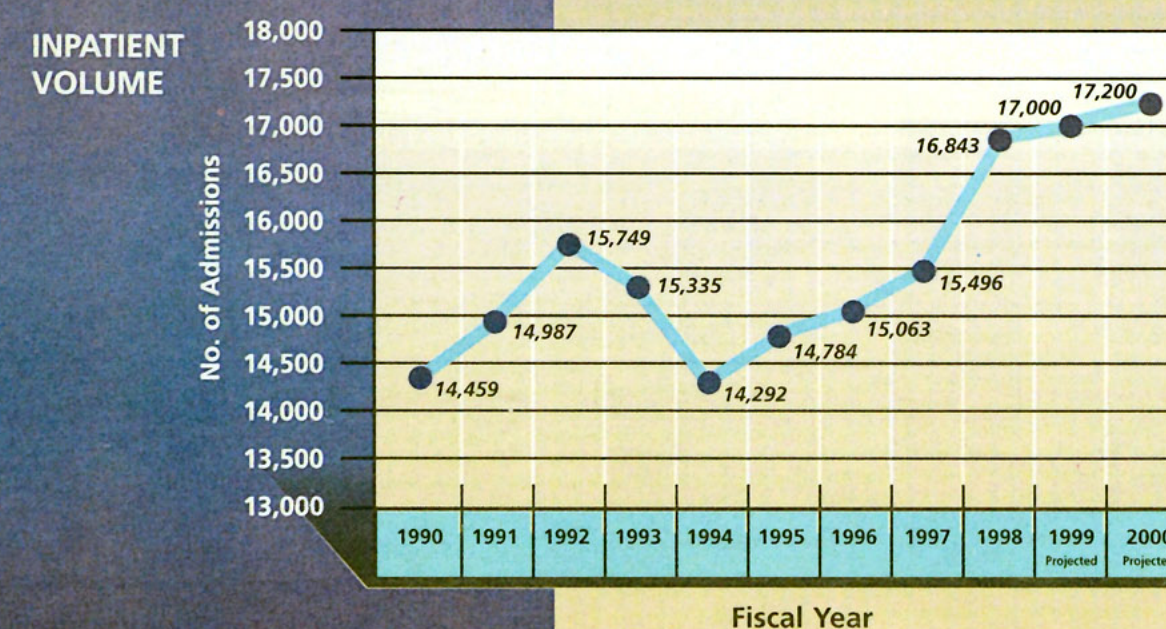
#### CONSUMER PRICE INDEX AND HOSPITAL CHARGES



#### ACTIVE HOSPITAL MEDICAL STAFF



#### INPATIENT VOLUME



### GETTING COSTS UNDER CONTROL

As the health care industry continually changes, our charges remain very competitive. According to Health Information Resources of Minnesota (HIRM), St. Cloud Hospital's charge per day is below the state average. HIRM is a joint venture of the Minnesota Department of Health and the Minnesota Hospital and Health care Partnership.

In the early 1990s the cost of medical care services was rising at a rate much faster than inflation. Through changing our processes and restructuring our management system, St. Cloud Hospital has been able to keep price increases very close to the Consumer Price Index (CPI) – the barometer of general inflation. When adjusted for the severity of the patient<sup>1</sup>, St. Cloud Hospital's increase in revenue per discharged patient is less than the CPI.

<sup>1</sup> Severity is measured through the case-mix index, developed by the health care Financing Administration. CPI is based on the CPI-U as published by the Bureau of Labor Statistics.

In addition to working to keep costs under control, we continually strive to anticipate and meet the growing demand for medical services in the region. Our growth and our efforts to increase our capabilities are directly related to our mission of improving the health and quality of life of the people of Central Minnesota.

A master site and facilities plan for the hospital and CentraCare Health System will require substantial investment as we move some hospital outpatient services to a newly purchased 120-acre site in northwest St. Cloud. That site will be the foundation of our necessary expansions, becoming home to new services as well as to services that we will relocate as we work to relieve congestion at the existing hospital campus.



The annual Holly Ball and Tree Festival kick off the holiday season for many area residents. This year, the Holly Ball raised \$112,000 for St. Cloud Hospital's Hospice Program/CentraCare Foundation. Hospice combines the specialties of a team of health care professionals to assist people who are in the final stages of life. Hospice volunteers are an integral part of the team, providing companionship, respite and transportation to the patient and family. Hospice is more than a service. It is a philosophy, an attitude. It offers hope that symptoms can be managed, fears diminished, questions answered and loneliness eased.



The Holly Ball is a gala that raises thousands of dollars for Hospice/CentraCare Foundation.

## Community Benefit

For the Fiscal Year  
ending June 30, 1998

St. Cloud Hospital provided a total of \$17 million, or 10.6% of its operating expenses, to benefit the people of Central Minnesota. This number represents the out-of-pocket costs St. Cloud Hospital incurred in providing programs and services that were needed, but did not generate enough revenue to cover the cost of providing the program or service.

St. Cloud Hospital  
Total Benefit to the Community **\$17,083,000**

**Traditional Charity Care and  
Mid-Minnesota Family Practice Center** **\$1,289,000**

We provide care to all persons in need, regardless of their ability to pay.

**Unpaid Cost of Medicaid** **\$3,586,000**

Medicaid does not fully reimburse the hospital for the cost of care provided.

**Unpaid Cost of Medicare** **\$9,898,000**

Medicare does not fully cover the cost of providing care to Medicare patients.

**Cash and In-kind Contributions** **\$721,000**

Includes support for the CentraCare Foundation and other non-profit organizations in Central Minnesota.

**Health Professional Education** **\$1,256,000**

Includes investing in the Family Practice Residency Program and other allied health training programs that provide highly trained professionals for Central Minnesota.

**Non-billed services for the Community** **\$333,000**

Includes programs like chemical health outreach and accident prevention in area schools, physical and mental health support groups, CPR training for the community, senior helping hands, support for health care missions in Central America and many other programs.



CentraCare Foundation grants help meet a broad range of needs in Central Minnesota. To date, the foundation has granted more than \$100,000.

### Among the grants made by the Foundation:

- Unity Family Health care, Little Falls – Gift to help build a new Emergency Room.
- Assumption Nursing Home, Cold Spring
- David Tilstra, MD, St. Cloud – Birth Defects and Genetic Research
- Recovery Plus Friendship Circles, St. Cloud – To help high risk youth in District 742
- Kandiyohi County Public Health – Seat Belt Safety Program
- Mille Lacs County Public Health – Prenatal care for high risk mothers
- Bone Marrow Donor Drive in St. Cloud
- Hear First – A program to screen infants
- Two Parish Nurse Programs in Little Falls and Staples
- Childbirth Education and Smoking Cessation
- Wings of Mercy – Volunteer pilots fly patients to needed medical visits
- Comprehensive Advanced Life Support Training – For rural health providers

## Working Together

As a health care leader in Central Minnesota, St. Cloud Hospital must be involved, caring and responsive to our community. We have strong ties to our region and feel an obligation to meet the needs of the people we serve. We believe that providing quality health care means looking beyond our own walls to ensure that the region's health care needs are being met. Developing a new state-of-art mental health unit and investing in the family practice residency program are two important examples of responding to the needs of Central Minnesota. Both programs require significant subsidies – yet if St. Cloud Hospital did not participate in implementing some of these needs-driven community services, our region would be left with a void.



Paynesville Ambulance crew members have taken advantage of hospital outreach efforts.

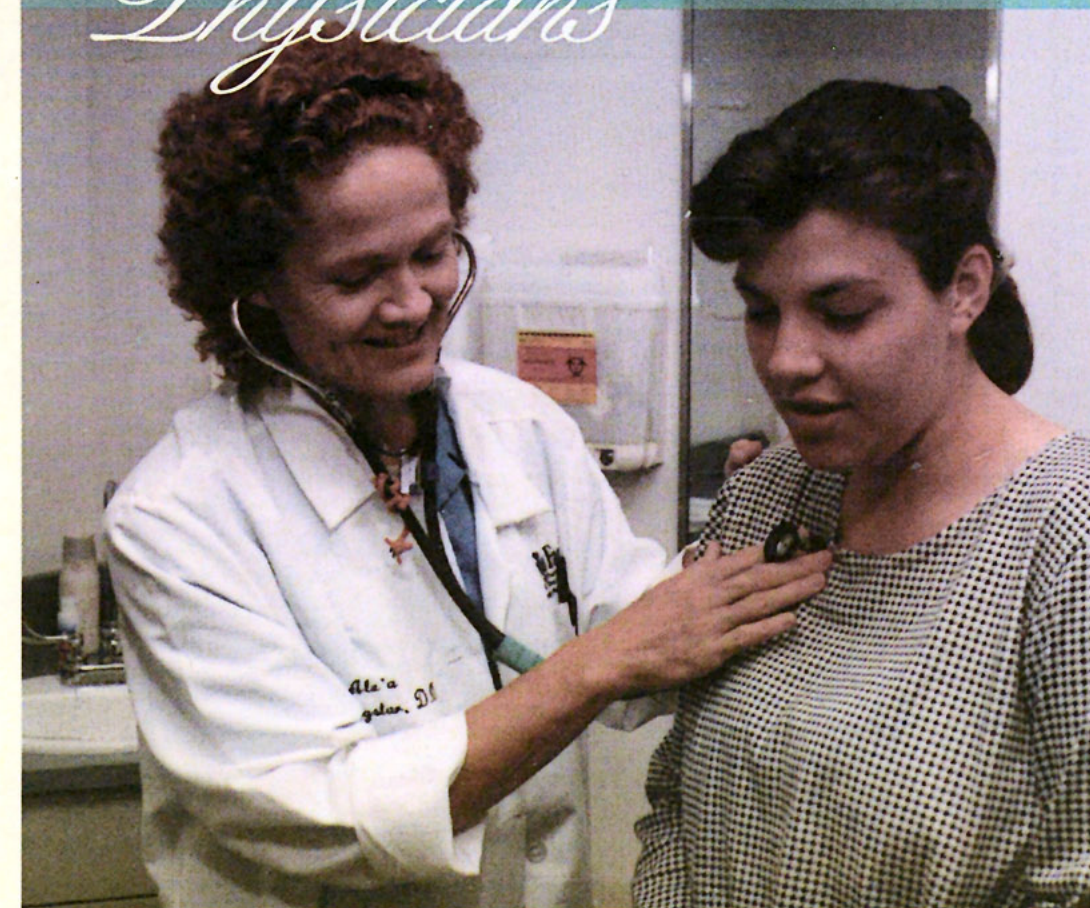
Our outreach programs have included advanced life support courses for professionals, classes on safe driving for high school students, and workshops on guns in the schools for educators. Physicians, nurses and staff members travel to communities throughout Central Minnesota to provide medical services in an array of specialties, including gastroenterology, plastic surgery, urology and cardiology.

Without a regional network of health care professionals, St. Cloud Hospital could not fulfill its healing mission. We work in partnership with local clinics such as St. Cloud Medical Group and Central Minnesota Group Health, as well as with clinics, hospitals, ambulance services and an array of caregivers in communities across the region.

The hospital is part of a special partnership called CentraCare Health System, which is made up of not only St. Cloud Hospital, but Melrose Hospital and Long Prairie Memorial Hospital and Home, as well as CentraCare clinics in St. Cloud and several other communities, St. Benedict's Center in St. Cloud, and the Pine Villa nursing home and apartments in Melrose. In short, CentraCare Health System is a comprehensive network that unites caring, compassion and cost-effectiveness in providing quality health care for Central Minnesota residents.

The Mid-Minnesota Family Practice Center in St. Cloud, a division of St. Cloud Hospital, is entering its ninth year of providing high-quality health care to low-income and uninsured people. The St. Cloud Hospital/ Mayo Family Practice Residency Program is based at the clinic. That program is designed to develop caring, competent physicians who will fill the growing need for doctors in this region and other parts of the state. The program graduated its first three doctors in the spring of 1998; nine doctors currently are in residency there. The Mid-Minnesota Family Practice Center also is the focal point for the hospital's efforts, via the nationwide Campaign for Coverage, to help uninsured people get health coverage. As a state leader in the campaign, St. Cloud Hospital aims to assist from 700 to 1,000 people by the end of 1999.

## Providing Coverage, Training New Physicians



Dr. Ale'a Morningstar examines a patient at the Mid-Minnesota Family Practice Center.



# Dear Friends,

**A**s we enter a new year – and prepare for the coming of a new century – we at St. Cloud Hospital strive to make decisions with the best interests of our patients and their families in mind.

We realize that we must continually stretch, to not just respond to concerns but to anticipate the health care needs of Central Minnesotans. We realize the need to do more and to do better, to be committed to continuous improvement, to ensure that St. Cloud Hospital is a leader in customer service and public accountability.

We pledge to earn your trust.

We promise to get in touch with the people we aim to serve, to understand your needs, expectations and concerns. We want to hear from you – and we want to keep you informed about the people and programs of St. Cloud Hospital.

This "Report to the Community" is one small step in our effort to do a better job of sharing our vision with you. This report reflects our commitment to meeting the health care needs of the region, to continually strengthen existing programs while developing new ones.

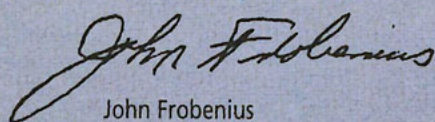
Like all nonprofit organizations, we face challenges in carrying out our mission. For instance:

- twenty-five physicians have joined the St. Cloud medical community in the past year, yet we are aggressively recruiting twice that many to meet growing volume and customer expectations in the region;
- we remain financially strong, yet we must make adjustments to offset declining Medicare reimbursements from the federal government;
- we earn high marks in patient satisfaction surveys and we earned an impressive score of 94 out of 100 from the Joint Commission on Accreditation of Health care Organizations, yet we cannot rest on our past successes.

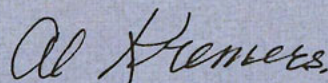
We know that only health care systems that consistently demonstrate high quality and customer satisfaction will be successful.

In an effort to meet – and perhaps exceed – your expectations, we are developing a master plan that will guide our decisions regarding St. Cloud Hospital facilities for the next several years. As part of that plan, we are buying land on St. Cloud's northwest side with the intent to move some of our services to a new building, improving accessibility for people throughout the region.

We would like to take this opportunity to give you our promise that we'll conquer our challenges, that we'll serve you well. We are reaffirming our commitment to the residents of Central Minnesota, vowing to provide the exceptional care that has been St. Cloud Hospital's tradition since the Sisters of the Order of St. Benedict established the hospital in 1886.



John Frobenius  
President  
St. Cloud Hospital



Al Kremers  
Chairman of the Board  
St. Cloud Hospital



The Beacon Light is produced by the  
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More information about St. Cloud Hospital  
is available on the hospital's web site,  
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